

## *Title and Summary: A Housing Cooperative for Working Families*

As the prohibitive cost of housing has displaced working class families, entire communities of color and generations of locals in San Francisco, one possibility of changing this reality is to provide more opportunities for workers and their families to be able to live and work in our City. A recent report called *Housing Our Workers* authored by the SF Labor Council, CCHO, and Jobs with Justices<sup>f</sup> in December 2021 found that of the over 50,000 union workforce members surveyed for the report only 7% could afford market rate rents or home ownership in the City and that more than 40% of these workers no longer can afford to live in San Francisco and have had to move. We are seeing workers forced into mega commutes that are unsustainable for themselves, their families, and our planet.

This project begins to address one aspect of this crisis. Homeownership is the dream of many workers. Homeownership helps to provide stability for workers and their families. But just as important homeownership is a way of building intergeneration wealth that can be passed on. Today it is virtually out of the question for union workers in this City to buy a home. The medium income price in SF in 2020 was \$1.5m requiring monthly home payments of \$7,430 and assumes that the household has sufficient savings to cover 20% down payment (\$316,000+). (*2020 Housing Inventory by SF Planning Dept., from California Association of Realtors data.*) In total, only 4.6% of working families could afford the monthly payments for a medium-priced home in SF.

**Housing Cooperatives could help SF affordable housing crisis.** Cooperative housing offers a less expensive avenue to home ownership and has been a model used to help combat displacement and gentrification in San Francisco as well as many other cities. When residents buy a housing unit in a coop, they purchase a share of the entire property equal to all their neighbors within the building(s). In cooperatives, residents develop ownership equity as well as manage the homes, their buildings, their grounds together.

There is an example in San Francisco that can help provide a way forward. St. Francis Square is a cooperative that was one of the first cooperatives built in the City as an intentionally integrated housing complex. It was founded in 1963 by the International Longshore & Warehouseperson's Union (ILWU) who were looking to provide homes for their African American members. (Yes – redlining was alive and well in the City after WWII and into the 1960's). The Square, as it is called, was founded as a limited equity cooperative. It began with a \$1million down payment from the ILWU and was funded by a 40-year HUD loan. It remains a well-run (by its residents) housing complex, located in the heart of the Fillmore.

One might say that this could not be done but workers and their families did it in the early 1960's. And recently educators established another milestone when the City approved the

construction of the Shirley Chisholm Village, a 135-unit building of affordable housing for educators in the Sunset, on 43<sup>rd</sup> Ave between Irvine and Judah.

This proposed social Housing development addresses the required criteria as set forth in the HSF Oversight Board:

- The first component of developing a coop is to obtain the land. During and because of the pandemic, land banking sites have sold at a price prior lower than that of the 2019 costs. The purchase of land must be acted upon this year. Sites and parcels that would have been previously off-limits because of their current use or an unwilling seller must be considered (again). Examples: Muni bus maintenance yards, parking lots owned by the federal government, shuttered gas stations, struggling laundromats, stand-alone food joints, churches, etc. *It will be the goal of this project to research and find property(ies) for this purpose within the 1<sup>st</sup> year or so.* One formula for size of site to centers around the cost per unit: \$100,000 - \$125,000 per unit is what land is costing today. If we planned on a 50-unit project, we would need \$6 – 8m dollars. Similarly, if we found a big enough piece of property and wanted to include more units, it might cost around \$10m. Another possibility is empty building(s) (possibility that were discovered after Supervisor Preston’s vacancy tax is implemented). Other income resources will also need to be researched: The Housing Investment Trust Fund, through the AFL-CIO have provided funding for sites in San Francisco over the past several years.
- Developing a housing complex built for and run by residents who qualify for home ownership in this cooperative will be new and empowering concepts to many workers. Hiring a researcher/organizer is the second component needed for this year. Skills needed to research land sites, find financing opportunities AND developing a program that would organize and educate workers about advantages of the housing cooperative. One example of a job description comes from the Community Land Trust entitled A Resident Education and Outreach Coordinator. The estimated cost of this is \$150,000. This would like wages and benefits.

Cooperatives come in many forms and shapes. This project will be centered around essential workers who work in San Francisco. This includes a long list of job categories, including but not limed to hospitality workers, janitors, security guards, health care workers, Muni drivers, electricians, carpenters, city workers, sanitation workers, domestic workers, educators and staff, and firefighters. This housing will be centered around providing homes for families, with an average room size of 2.5 bedrooms.

This project would serve all income qualified households with a maximum average of not more than 80%of median income across all units in the project, as an example 3-tiered levels of:

- 33.4% of the housing built would be designated for very-low-income housing who make less than 50% or half of the median income in SF.
- 33.3% of the housing built would be designated for Low-income housing for people making 51-80%
- 33.3 of the housing built would be designated for moderate income housing for people making 80% 0 120

This Coop will be built by union members with the goal of obtaining a resident empowered, resident run and operated Coop. We will follow principals that include creating permanently affordable housing through the community ownership of land with the goal of racial and economic justice at the forefront. We will use many of the successful polices developed and still in operation within St. Francis Square.

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